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INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000998

STATE FOR WHA/CEN, EB/IFD/OIA AND L/CID
STATE FOR WHA/EPSC
STATE PLEASE PASS TO USTR
TREASURY FOR INL AND OWH

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: EINV ECON USTR KIDE NU

SUBJECT: NICARAGUA: GON PROMISES BETTER COOPERATION ON U.S. CLAIMS
UNDER GOVERNMENT CONTROL

REF: A) STATE 81714, B) MANAGUA 883, C) MANAGUA 173

SUMMARY

¶1. (SBU) During the July 31 monthly Working Group meeting on property issues, Government of Nicaragua (GON) officials promised to provide more attention to resolving U.S. citizen claims under government control during the 2008-2009 waiver year. GON officials stated the government will dismiss more claims for administrative reasons and under Decrees 3 and 38, noting that "allies of Somoza" cases can only be overturned by Attorney General Hernan Estrada. Econoff urged the GON to build upon its cooperation and progress in resolving U.S. claims during the second half of the last waiver period for this year. While we must wait and see if the GON will honor its commitment to improve cooperation with us on case resolution, we are cautiously optimistic that the GON will be off to a better start this waiver year than last to resolve U.S. claims.

MORE ATTENTION TO CLAIMS UNDER GON CONTROL

¶2. (SBU) During the July 31 monthly Property Working Group meeting, Econoff met with the head of the Office of Assessment and Indemnification (OCI), two officials from the National Confiscations Review Commission (CNRC), and an official from the Office of the Property Superintendent to review 85 claims that the Embassy Property Office considered ready for resolution. Ruth Zapata, head of OCI, promised better cooperation with the Property Office to advance and resolve U.S. claims under GON control, including those pertaining to the Nicaraguan Army. She said that President Ortega had requested a report from the Nicaraguan Army regarding the property claims still under its control without resolution. Econoff noted that there were 54 claims under GON control and urged his interlocutors to resolve more of these cases. He reminded GON officials that the government resolved only one case under its control during the 2007-08 waiver period and none under control of the Nicaraguan Army since 2006 (Refs A, B).

MORE DISMISSALS COMING IN 2008-2009

¶3. (SBU) GON officials warned Econoff that the government will dismiss more claims for administrative reasons (lack of proof of ownership and/or confiscation of the property in question) and under Decrees 3 and 38, which mandated the confiscation of property of Somoza family members and their allies (Ref C). Econoff responded by pressing the GON for better cooperation and flexibility with claimants to allow them to resolve their claims. Jeanette Garcia, director of the CNRC, asserted that she would do what she can to provide some claimants an opportunity to resolve administrative

dismissals, but noted that only Attorney General Estrada can overturn Decree 3 and 38 dismissals.

BETTER COOPERATION ON RESOLVING CLAIMS

¶4. (SBU) Throughout the meeting, Econoff pressed GON officials to build upon the cooperation and communication that the Property Office and GON established during the second half of the last waiver period to resolve more claims for this year. The Property Office staff suggested more meetings between the Embassy and GON with U.S. claimants to resolve longstanding, complex cases. Zapata believed that this idea had merit and added that she would provide us a list of U.S. claims to explore additional follow-up meetings with U.S. claimants during the August 28 Property Working Group meeting.

COMMENT

¶5. (SBU) During the first meeting of the new waiver year, we were surprised by the GON's verbal commitment to improve cooperation on claims under government control and longstanding, complex cases. While we must wait and see if the GON will honor its commitment to work with us on these cases, we are cautiously optimistic that the GON will be off to a better start this waiver year than last to resolve U.S. claims.

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